



Property Tax Caps: Five Years After Tax Caps

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Property Tax Caps

- Two categories of property tax caps
 - Limit on the total tax bill amount based on a specific percentage of gross assessed value
 - 1% - Homestead properties
 - 2% - Residential, agricultural, long-term care facilities
 - 3% - Non-residential, personal property
 - Limit on the increase in the tax bill
 - Over-65 credit – must meet age and income eligibility criteria



Property Tax Caps

- Property tax caps are applied POST-budget order certification
- For taxpayers, the tax bill will be reduced by the amount of the circuit breaker credit
- For taxing units, the property tax caps create an unfunded portion of the certified levy



2013 Statewide Property Tax Caps

Expressed in millions – does not include LaPorte County

| Type | Taxing Units | TIF Districts | Total |
|--------------------|--------------|---------------|----------|
| 1% Cap Recipients | \$ 201.2 | \$2.4 | \$ 203.6 |
| 2% Cap Recipients | 300.3 | 20.4 | 320.7 |
| 3% Cap Recipients | 198.3 | 39.0 | 237.3 |
| 65+ Cap Recipients | 4.9 | 0.0 | 4.9 |
| Total | \$ 704.7 | \$ 61.8 | \$ 766.5 |



Property Tax Caps Over Time

Expressed in millions – does not include LaPorte County

| Type | Pay 2011 | Pay 2012 | Pay 2013 |
|--------------------|----------|----------|----------|
| 1% Cap Recipients | \$ 164.2 | \$ 169.3 | \$ 201.2 |
| 2% Cap Recipients | 243.5 | 251.0 | 300.3 |
| 3% Cap Recipients | 154.0 | 158.8 | 198.3 |
| 65+ Cap Recipients | 4.2 | 4.1 | 4.9 |
| Total | \$ 565.9 | \$ 583.2 | \$ 704.7 |



Levy Net of Property Tax Caps

Expressed in millions – does not include LaPorte County

| | Pay 2011 | Pay 2012 | Pay 2013 |
|-------------------------------------|------------|------------|------------|
| Certified Levy | \$ 6,174.5 | \$ 6,238.6 | \$ 6,471.8 |
| Less: Total Circuit Breaker Credits | 565.9 | 583.2 | 704.7 |
| Net Levy | 5,608.6 | 5,655.4 | 5,765.1 |
| Change from Prior Year | | 46.8 | 109.7 |
| Percent Change | | 0.83% | 1.94% |



Property Tax Caps by Unit Type

Expressed in millions – does not include LaPorte County

| Unit Type | Pay 2013 | Percent |
|------------------|----------|---------|
| County | \$ 99.1 | 14.1% |
| Township | 22.5 | 3.2% |
| City/Town | 244.1 | 34.6% |
| School | 245.0 | 34.8% |
| Library | 31.6 | 4.5% |
| Special District | 62.4 | 8.9% |
| Total | \$ 704.7 | |



Unit Interaction

- Changes in levies/rates by one taxing unit can impact the amount of property tax revenue that other units in the same taxing district receive



Unit Interaction

- One-Parcel Example:
 - Homestead Parcel with \$150,000 in Gross Assessed Value
 - Homestead Deduction, Supplemental Deduction, Mortgage Deduction
 - Net Assessed Value = \$65,250



Unit Interaction

| Tax Rate by Unit | Scenario 1 | Scenario 2 |
|------------------|------------|------------|
| County | \$ 0.6000 | \$ 0.6000 |
| Township | 0.2000 | 0.2000 |
| City/Town | 0.8000 | 0.8000 |
| School | 1.0000 | 1.2000 |
| Library | 0.0500 | 0.0500 |
| Special District | 0.0200 | 0.0200 |
| Total | \$ 2.6700 | \$ 2.8700 |



Unit Interaction

| | Scenario 1 | Scenario 2 |
|--------------------------------------|------------|------------|
| Calculated Tax Bill | \$ 1,742 | \$ 1,873 |
| Property Tax Cap (1% of Gross AV) | 1,500 | 1,500 |
| Circuit Breaker Credit | 242 | 373 |



Unit Interaction – Scenario 1

| Unit | % of Bill | Calculated Bill | Actual Payment | Difference |
|-------------------|-----------|-----------------|----------------|------------|
| County | 22.5% | 391 | 337 | 54 |
| Township | 7.5% | 131 | 112 | 19 |
| City/Town | 30.0% | 522 | 450 | 72 |
| School | 37.4% | 652 | 562 | 90 |
| Library | 1.9% | 33 | 28 | 5 |
| Special Districts | 0.7% | 13 | 11 | 2 |
| Totals | | 1,742 | 1,500 | 242 |

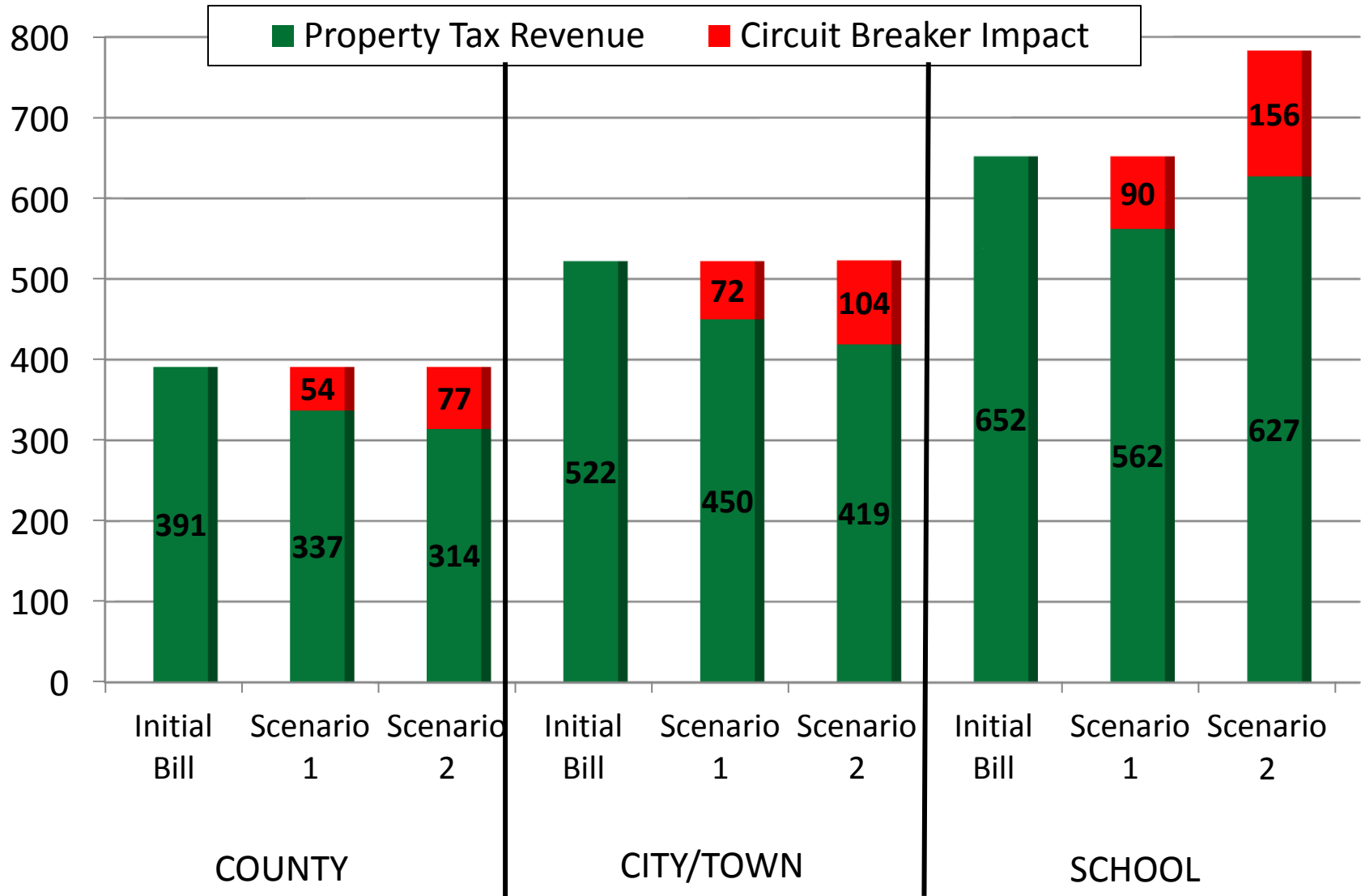


Unit Interaction – Scenario 2

| Unit | % of Bill | Calculated Bill | Actual Payment | Difference |
|-------------------|-----------|-----------------|----------------|------------|
| County | 20.9% | 391 | 314 | 77 |
| Township | 7.0% | 131 | 105 | 26 |
| City/Town | 27.9% | 522 | 419 | 104 |
| School | 41.8% | 783 | 627 | 156 |
| Library | 1.7% | 33 | 25 | 7 |
| Special Districts | 0.7% | 13 | 10 | 3 |
| Totals | | 1,873 | 1,500 | 373 |



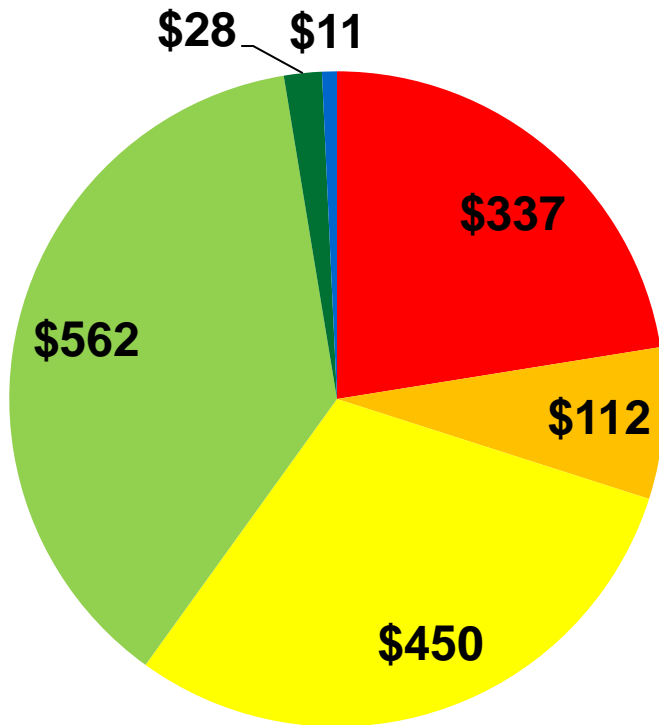
Unit Interaction



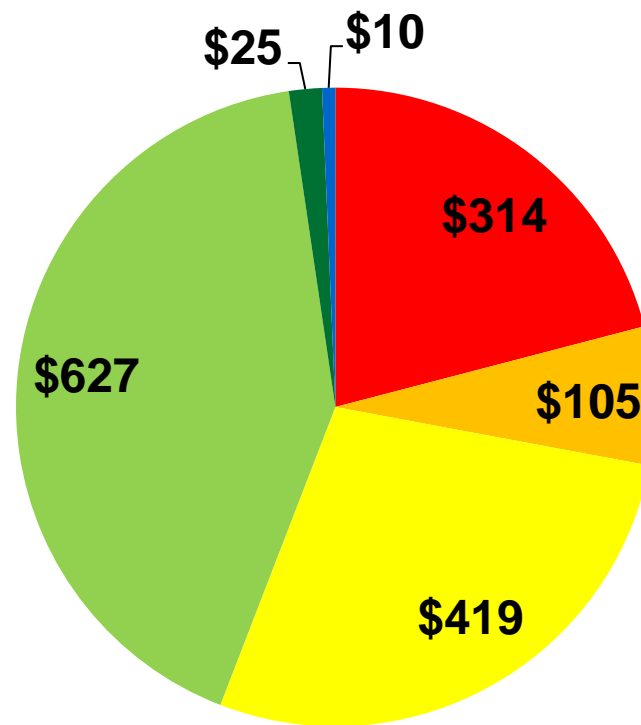


Unit Interaction

Taxpayer paid \$1,500 in both scenarios



Scenario 1



Scenario 2

- County
- Township
- City/Town
- School
- Library
- Special District



Property Tax Caps

- Impact of Property Tax Caps Reports
 - Statewide Summary
 - Includes unit-level information
 - County Reports
 - Includes fund-level information
 - 2013 Reports
 - <http://www.in.gov/dlgf/9168.htm>
 - Prior Year Reports
 - <http://www.in.gov/dlgf/8379.htm>



Contact the Department

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